



School District No. 39 (Vancouver) is one of the most diverse and complex of public school systems in Canada, with an annual enrolment of approximately 55,000 students in Kindergarten to Grade 12. Our programs and services address the extraordinary combination of challenge, need, opportunity and potential that exists in every student.

In 2009/2010, the preliminary operating budget for the Vancouver School Board (VSB) is \$484.3 million. The Ministry of Education provides 93.4 per cent of the operating funding for the VSB. Accordingly, the number of programs the VSB offers depends significantly on provincial funding.

In terms of expenditures, 84 per cent of VSB costs are directly related to the provision of instruction to students. This includes salaries and benefits for teachers, school administrators, school and student support staff and the cost of related supplies and services. The cost to operate and maintain district facilities represents 12.1 per cent of expenditures.

Overall, 91.6 per cent of all VSB expenditures are salary and benefit costs. Only 8.4 per cent represent expenditures on supplies and services.

Based on the preliminary operating grants announced on March 15, the VSB will receive \$447.8 million for 2010/2011. This year's increase is intended to fund, in part, the partial implementation of full-day Kindergarten and provincially approved collective agreements, however, the funding is \$4.3 million short of covering the full costs for these items.

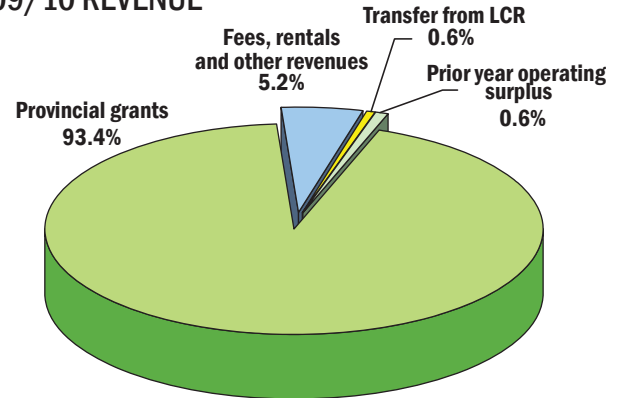
Additionally, the current funding formula does not provide for the following annual cost increases faced by school districts:

- salary increments for employees on pay grid systems such as teachers, administrators and other professionals;
- increases in employee benefit costs such as CPP, EI, WCB, MSP, extended health and dental benefits, and employee pension plans; and
- inflation on goods, services and utilities.

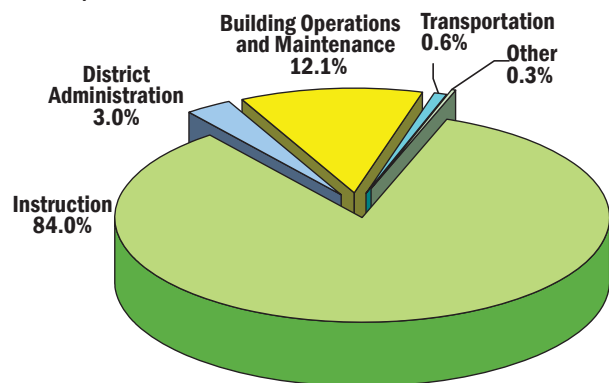
It is estimated these cost increases will total \$8.58 million in 2010/2011.

## 2009/2010 Preliminary operating budget

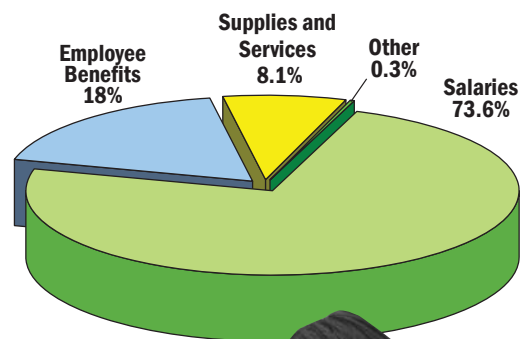
### 2009/10 REVENUE



### 2009/10 EXPENDITURE BY FUNCTION



### 2009/10 EXPENDITURE BY TYPE



## VSB at a glance

- 109 schools and seven adult education centres
- 54,977 students
- 5,400 FTE employees
- Approximately 30 per cent of students have unique needs (ESL, Aboriginal or special needs)
- Operating budget of \$484.3 million





At the same time, the district must contend with a \$7.29-million structural shortfall that has been offset in previous years with one-time carried over surpluses and by depleting reserve funds.

The school district is forecasting a negative financial impact as a result of a 420 FTE dip in student enrolment in 2010/2011 compared to 2009/2010. The district is also forecasting 122 fewer FTE students requiring English as a Second Language (ESL) support.

As a result of the deficiencies in provincial funding, the VSB is facing a projected funding shortfall of \$18.12 million for 2010-2011.

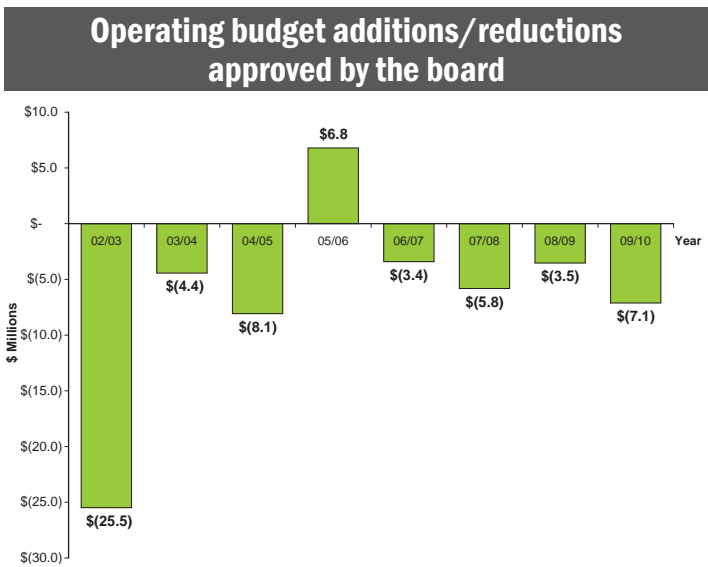
While the Ministry of Education has increased its per student base funding rate for 2010/2011, the increase was achieved by reallocating the labour settlement funding, and rolling it into the per student base funding rate instead of showing it separately. However, the increased rates in the new formula are not enough to pay for the reallocated labour settlements.

In all but one budget year since 2002/2003, the Vancouver School Board has been forced to make significant budget reductions because provincial funding was insufficient to maintain the existing level of service. During the eight-year period ending in 2009/2010, the district reduced its operating budget by a net total of \$51 million.

Without additional provincial funding in 2010/2011, trustees must draw down district reserves, sell off district assets, find ways to increase district revenues or reduce spending to balance the budget. Most of the shortfall may have to be met through expenditure reductions, and since salaries and benefits account for 91.6 per cent of the district's expenditures, much of the savings may have to come from staff reductions.

Trustees value public input with respect to how to address this projected funding shortfall. Stakeholders, parent, students and the public are invited to participate in the budget process in order to prioritize expenditures and provide feedback on proposed expenditures. Send written submissions to: Vancouver Board of Education, Attn: Administrative Coordinator, Secretary-Treasurer's Office, 1580 West Broadway, Vancouver, BC V6J 5K8, or email: [budget2010\\_11@vsb.bc.ca](mailto:budget2010_11@vsb.bc.ca).

2010-11 Projected operating budget shortfall (\$millions)	
<b>COSTS NOT FUNDED BY PROVINCE</b>	
Salary and employee benefit increase	(\$4.41)
Teachers' Pension Plan increase	(\$2.80)
Medical Services Plan rate increase	(\$0.21)
Carbon offsets	(\$0.29)
Inflation and other costs	(\$0.87)
	<b>(\$8.58)</b>
<b>OTHER FACTORS</b>	
2009-10 On-going surplus/(shortfall)	(\$7.29)
Enrolment changes (decline)/increase	(\$0.43)
Full-day Kindergarten	0.57
Reduction in investment and interest income	(\$0.95)
One-time funding 2009/10 appropriated surplus	2.90
	<b>(\$5.20)</b>
Less-than-anticipated provincial funding	(\$4.34)
<b>Total projected funding shortfall</b>	<b>(\$18.12)</b>



The school district will release its preliminary budget proposals on April 7. Trustees will be seeking public input on the proposals as the board develops the list of budget options for inclusion in its compliance budget, which is scheduled for final adoption on April 29.